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ECONOMIC INEQUALITIES AND JUSTICE: PLATO AND RAWLS

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I Introduction

Economic inequalities are in part the domain of economics and other social sciences. Economists especially can give us historical and contemporary data on economic inequalities in almost all countries, theories about the economic and other social forces that increase economic inequalities, the forces that decrease them, and they can propose policies that would reduce or increase them. Thomas Piketty, a very broadly based economist and social scientist, does all these things in *Capital*: massive and impressive data about inequalities in income and wealth from two centuries in Europe, and more recent data for the United States, Japan, China, and other countries. Piketty also has theories about what increases economic inequalities: much greater long term rates of return for capital than rates of growth in the economy (and so lower rates of growth for wages), and/or low levels of literacy, education and skills; while the diffusion of knowledge and skills throughout the population has been the main long term social force for decrease of economic inequalities. Other economists agree; for example, Tyler Cowen, in *Average is Over*, details “the race between education and technology”, and observes decreases in inequalities when education wins, and increases when technology gets way ahead of education and creates demand for greater skills that the many lack and only few have. Piketty’s and Cowen’s thesis about the role of education and skills in economic inequalities is in line with the widespread and common view that “education is the great equalizer,” though more accurately it is the greater diffusion of education among a population that correlates with lesser inequalities. Interestingly enough, the great increase in economic inequalities in the last thirty years in the United States coincides with the great increases in college and university tuition and other educational expenses.

All this is fairly clear and is becoming well known. When we ask about the extent of economic inequalities and the forces that increase or decrease them in the short and long run, we need to turn to the economists and other social scientists for the

answers that their empirical research reveals and confirms.

But when we ask about the fairness or justice of economic inequalities we must turn primarily to the political philosophers to find answers. We must still rely on the data and the causal theories of the economists, but these by themselves do not tell us what economic inequalities, if any, are just, and what unjust. Piketty himself tells us to be “wary of any economic determinism in regard to inequalities in wealth and income. The history of the distribution of wealth and income has been deeply political ... shaped by the way economic, social, and political actors view what is just and unjust...” (*Capital*, p.20).

Sometimes the economists’ and other social theorists’ data give us comparisons among different societies and different historical periods, and these comparisons are sometimes used as if they were standards of justice, as when economists speak of “historical norms”. But historical norms, perhaps useful enough for economic diagnosis of current problems, are dubious standards of fairness, especially when we consider that historically injustices and unfairness may have been at least as prevalent as their opposites, if not much more. Other times, economists cite very great inequalities in income and wealth, and proceed to suggest reforms that would reduce them, simply assuming that they are unfair or unjust; but this too needs to be discussed and not simply assumed. More generally, the economist and social scientist, A. Sen, defends a “comparative approach,” as distinct from and opposed to “ideal theory” practiced by Rawls with the concept of a “well ordered society,” and by the ancients in their search for “the completely good city” (Plato) or “the best constitution” (Aristotle). This larger controversy, about ideal theory and the comparative approach, may be beyond the scope of this study. For our purposes it is enough to note that both Plato and Rawls are doing ideal theory: both think that to understand and resolve controversies about what is just and unjust in our societies we need to investigate and find out what justice is at a more general level; and both work toward discovering principles of justice, and also exemplars of a just society, such as Plato’s “completely good city” and Rawls’ “well ordered society”. In any case, it is reasonable enough to think that when we disagree about what is just in more particular cases, it is hard to know whether we are disagreeing about relevant facts or about what justice is, unless we have some view of what justice is or some principles of justice. And this seems sufficient to motivate ideal theory.

Which economic inequalities are just and which unjust depends in part on economic data about inequalities and causal theories about what increases and decreases them, but also in part on what justice is. Or, more modestly, what one reasonably thinks are just inequalities and what unjust depends in part on what economic information and theories s/he has and what s/he thinks justice is. And we shall indeed find that different major theories of what justice is have different views, partly as a result, of what inequalities are just and what unjust.

The divide between teleological theories of justice, such as Plato’s, and social contract theories of justice, such as Rawls’, provides a good frame work for studying

the implications of what justice is for the justice of economic inequalities. (Rawls, 1971, in Chs. I & III details some important differences between his contract theory and teleological utilitarian theories).

Now, we are not approaching directly the question, what does justice say, if anything, about economic inequalities. This question is very hard to try to answer, if it can be answered at all in that form, because it is simply very difficult to know what justice says in the abstract, or that she exists all by herself, or that she ever “says” anything. There may or may not be a Platonic Form Justice, but it does not “say” anything; we only know what Plato says it “says.” Even the very concrete statue of justice in the back of many court rooms is silent; it says something only if we interpret its symbols of blindfold, balance, and sword. In this study, when we speak about what justice “says” about something we mean what a particular theory of what justice is says about that thing.

Accordingly we shall take up the more modest question: what do major theories of what justice is say about the justice of economic inequalities? This question can be answered on the basis of studying major theories of what justice is. In this study we shall sketch (1) two major theories of what justice is, and (2) what they say or imply about the justice of economic inequalities; specifically, the teleological theory of Plato, and the social contract theory of Rawls.

Economic theories and data about economic inequalities and underlying theories about what justice is should illuminate our major disagreements about the justice of particular economic inequalities.

But this is only a partial study of the relation of justice to economic inequalities. A larger historical and contemporary study is needed to inform us in greater significant detail about what the best human brains on the subject of justice have produced about the justice of economic inequalities.

II Kinds of Inequalities

There are many types of inequalities among human beings. One great and relevant division is between natural or inborn inequalities (inequalities at birth) in intelligence, health and strength, beauty, and generally in abilities and talents; and social inequalities (also at birth), in political power and in rights and privileges, economic inequalities in income and wealth, and cultural in family, class, and access to education. This division between inborn and societal inequalities is already present and used in Plato’s theory of justice in the *Republic* and resurfaces explicitly in Rawls (1971). (I think it is used even to a greater extent by Aristotle especially in his *Politics* I, elaborated by Rousseau in his *Social Contract* and the *Discourse on the Origin of Inequality*, and assumed by the great utilitarian writers Bentham and Mill). The uses and significance of this distinction in theories of justice will be discussed as we go along. But there is a general assumption that natural or inborn inequalities make a difference to life prospects in society, can be treated differently by social structures and institutions

(witness different social treatments of color and gender, two evident examples of inborn inequalities), and thus can hardly be ignored by justice since she influences social structures and institutions.

Both kinds of inequalities, inborn and social, can vary in degrees or extent within a population: natural inequalities, from the genius to the retarded (witness the great range of human IQ), from the god like strong and beautiful to the ill and deformed, from the talented in music or painting to the inborn deaf or blind. Social inequalities can also vary in degree and extent in a population: political inequalities from rulers to ruled, from kings to slaves, from democratic rights and freedoms to totalitarian oppression; economic inequalities in wealth from billionaires to homeless, in wages from high salaried CEOs to minimum wage earners; social inequalities from the educated elite to illiterate migrants.

III Justice and Natural Inequalities

What does justice say, if anything, about natural or inborn inequalities? She of course does not control them directly: they might be thought to be distributed by a “divine craftsman” (Plato), or by the immanent teleology of nature (Aristotle), or by random genetic variations-- in Rawls’ useful phrase, by “the natural lottery”. But, however they may come about, such inborn inequalities can make a great difference to life expectations: those born smarter, stronger or healthier, with greater imaginations or mathematical or artistic talents are more likely to fare well no matter what the structure of the society they are born into; though such inborn inequalities are hardly ever thought to be by themselves (as distinct from their development in society) the result of merit or can be thought of as desert. Justice can take a stand on such natural inequalities since it is her role to regulate the structure of society and its institutions, and different structures can influence in many different ways, even determine, how natural inequalities play out during lifetimes.

What stand can justice take? She could say, hands off natural inequalities, let them play out as they may. Or, she might try to compensate for them or moderate their effects to some extent or degree, especially if she thinks they are arbitrary (not the result of merit) and not deserved (Rawls). Or she might blindfold some natural inequalities (say differences in gender, or race), institutionalize others (say, differences in intelligence), as Plato did, and leave yet others alone. What should she do? And why?

There are several different answers to this question, from the Ancients to the Moderns. Plato’s justice institutionalizes inborn inequalities in intelligence, blindfolds gender, and leaves such things as height and baldness alone. Rawls explicitly acknowledges an important role for natural inequalities, thinks them arbitrary and undeserved, and his justice tries to deal with their effects democratically: by his first principle of justice, which does not allow any inequalities in basic rights; and by his second set of principles of formal equality of opportunity, fair equality of opportunity, and the difference principle which explicitly tries to moderate the economic effects of

inborn inequalities (Rawls, 1971, 74-5).

In the last century and a half we have seen a significant increase in the inborn or natural inequalities that justice blindfolds: race, gender, ethnicity, and even, arguably inborn, sexual preference.

When we consider these different treatments of natural inequalities, we must remember that the ancients and the moderns may have very different conceptions of nature: for many ancients including Plato and Aristotle nature is largely teleological and beneficent (Keyt, 2017, Ch. 1 and pp. 68-72); for the moderns far more random at least since Darwin; Rawls's phrase, "the natural lottery," as the distributor of natural inequalities, is no accident.

IV Justice and Social Inequalities

Of course justice does say something about societal equalities and inequalities—that is part of her job or role (and seen as such from Plato to Rawls). She can regulate political equalities and inequalities by the constitutions she decides are just, since constitutions determine the structure of political offices, their powers and limits, and the rights and freedoms of citizens. Economic systems too are within her domain, since they too can be just or unjust. So she has to take a stand on social inequalities, including economic inequalities. And what stand she takes on economic inequalities may well depend on, among other things, what she is and what she thinks should be done, if anything, about natural inequalities.

V Justice and Economic Inequalities

A fundamental question is whether all economic inequalities are inherently unjust and only economic equality is just. There is considerable consensus from ancient times to the present that economic inequalities are not inherently unjust, or at least that some economic inequalities are just. We shall presently see in detail why this is so. But generally speaking we can distinguish several reasons why it is generally agreed that some economic inequalities are just. (1) Some economic inequalities are thought to be efficient, in so far as they provide incentives for innovation and greater productivity, which in turn can increase outcomes in quality or quantity or decrease costs; and in teleological theories it may be hard to distinguish between efficiency and justice; in Plato, for example, efficiency seems to be (a proper) part of his social justice. (2) Some economic inequalities are thought to be just in so far as they promote the good of the society as a whole (or even all of humanity); this is generally held by teleological theories, and by Plato quite explicitly as we shall see. (3) Some economic inequalities are thought to be just or fair in so far as they reward merit (talent, hard work, and/or good performance); thus when merit is unequal rewards can be unequal; this justification is typical of democracies (see Piketty, Ch.11, Merit and Inheritance in the Long Run), and it may rely on some principle of proportional equality applied

to the economic domain. (4) Some inequalities are thought to be just in so far as they make everyone better off than they would be with economic equality, and the less equal consent to them (in so far as they are rational). This is typical of contract theories and quite explicit in John Rawls, as we shall see.

But there are considerable variations and disagreements on what economic inequalities are just, for what reasons, by means of what constraints, or implemented by what institutions. Later on, we shall discuss briefly several major proposals, past and present, about what economic inequalities are just and what institutions would implement them.

In order to understand the relations between justice and economic inequalities we need to observe two distinctions: one between principles of justice and institutions thought to implement them; presumably the U.S. Constitution implements or embodies principles of democratic justice as political equality. Aristotle's Best Constitution embodies his principle of political justice as proportional equality after he has resolved the dispute about worth (The distinction between principles and institutions is well reflected in the first two Parts of *A Theory of Justice* into "Theory" [principles of justice] and "Institutions" that implement the principles).

The other distinction is between principles of justice and empirical assumptions used to deduce consequences about economic justice. Aristotle's principle of justice, for example, as proportional equality in the distribution of offices on the basis of merit or worth, by itself says nothing about economic equalities or inequalities; but together with empirical assumptions (say, about resources needed for performing well the functions of various offices) it might well imply some economic (in)equalities. Something similar is true of Plato's principle of social justice in the *Republic*, as we shall see. (And the same is true of Bentham's and Mill more general principles of total utility; if some economic inequalities increase total utility, they can be just, since the right, including the just, is what maximizes total utility). In these teleological theories of justice empirical assumptions are crucial and needed to discover implications for economic justice, and the institutions that would implement economic justice. In social contract theories, on the other hand, we may have principles of justice that say something directly about economic justice: witness Rawls' difference principle, and perhaps even the principles of formal and fair equality of opportunity; though here too we need empirical assumptions to discover the institutions that would implement these principles; for example, free public education to implement the principle of fair equality of opportunity (Rawls, 1971, Ch. II, Section 14).

We should also note that empirical assumptions may play an additional important role in arriving at or deducing principles of justice, in both teleological and social contract theories. Plato, for example, uses assumptions about division of labor, trade, and some inborn differences to arrive at his principle of social justice. Rawls uses lots of empirical assumptions from the social sciences to construct his original position and to deduce his principles of justice (Rawls, 1971, Ch. III).

Thus empirical assumptions may play a triple role: used to arrive at principles of

justice to begin with, and then in conjunction with these principles used to discover economic justice, and the institutions or rules that would implement the principles.

These distinctions are crucial as we proceed to examine what major theories of justice say about economic equalities and inequalities. Accordingly (1), we begin by trying to identify the normative principles of justice for each theory (and sometimes the empirical assumptions used to arrive at these principles); and then (2) we examine how they use empirical assumptions in conjunction with their principles of justice to reach conclusions about what economic inequalities are just and the institutions that would implement them.

Clearly, disagreements and mistakes can be located in either (1) or (2), and where they are located is important in trying to correct mistakes or resolve disagreements. Mistakes and disagreements about (2) would be the easier to correct or resolve by appeal to the relevant empirical sciences. Disagreements about (1), what justice is, would be harder, though here too we can make some progress if we can identify the empirical assumptions on which the author relies to discover what justice is; so long as what justice is depends on empirical assumptions, theoretically it is possible that all disagreements about justice can be located as disagreements about empirical assumptions.

VI. Plato's Social Justice and Inequalities in the Republic

Plato's opposition to standard democratic justice as political equality is well known: democratic justice accords (political) equality to equals and unequals alike (*Rep. Bk. VIII*, 558). This criticism is more forceful than might be thought if we remember that his target was not our representative democracies, but participatory democracy in which every citizen was a ruler and subject at the same time, at least in the Assembly; every citizen was a ruler in the Council by rotation; and every citizen a ruler in the jury courts by lot; and in all three every citizen had one vote. Ancient participatory democracies made far greater demands on their citizens than modern representative democracies: to do their jobs well in the Assembly and the Council, even the Courts, each citizen had to be able to deliberate about his own good and, far more difficult, about the good of his city. Since it is highly unlikely that every citizen could do this equally well, why should they all have equal claims or rights to do so? Being equally free, i.e., the sons of one or both of citizen parents, seems hardly enough.

Having given up justice as political equality, Plato tries to discover what political inequalities are just, a big problem once political equality is given up, since there are many kinds and degrees of political inequalities; indeed all the constitutions he considers, other than democracy, allow or require political inequalities.

His theory of political virtue, summed up in his theory of the four virtues of the ideal city-state (as distinct from his theory of the four corresponding virtues of individuals), is also well known. But these city virtues – social wisdom, social temperance, social

courage, and social justice-- say nothing directly, by themselves, about economic justice, that is, about the distribution of land, other wealth, and income. For this and other reasons, his theory of the relation between justice and economic equalities and inequalities is less well known, and analysis of it should clarify and enrich his theory of social justice. Here he was in partial agreement with standard democratic theory, ancient and modern, in so far as it allows economic inequalities, sometimes very great ones; but for different reasons and with different constraints.

Plato does not have the democratic problem of reconciling possible conflicts between political equality and economic inequality. But he still has to discover what economic inequalities are just, an even bigger problem for justice once economic equality has been given up, since there are many kinds and degrees of economic inequalities and many other kinds of inequalities that influence economic ones. Some of his proposals are quite radical, and seemingly undemocratic in so far as they threaten democratic freedoms; and his reasons for moderating economic inequalities are different from democracy's standard reasons.

We propose to look at Plato's treatment of three cases of inequality and their relation to his justice: (1) The inequality in the distributions of the social careers of ruling, defending, and providing for the ideal city, based in part on the natural or inborn inequalities in the distribution of intelligence, spirit, and talents and abilities for the productive arts; this is the center of Plato's theory of political justice. (2) His treatment of other inborn inequalities in such things as height, baldness, color, and gender; this, together with (1) helps us understand some of Plato's "naturalism," the stand his justice takes on inborn or natural inequalities. And (3) economic inequalities in land, other wealth, and income, as well as the institutions that implement them.

Plato's principle of political justice (the justice of the polis) is stated in Bk. IV, 433a, a passage that harks back to its first statement in Bk. II and subsequent statements in between: "What we laid down in the beginning... when we were forming our city, this I think... is justice. And what we did laid down, and often said ... was that each person must perform the one social service in the state for which his nature was best adapted." (Shorey, transl.)

What they laid down in the beginning: "The result, then, is that more things are produced, and better and more easily when one man performs one task according to his nature, at the right moment and at leisure from other occupations." (R. 370c, Shorey). This is Socrates' grand conclusion from several premises: that individuals come together to form cities because they are not individually self-sufficient; that each has many needs ("its [the city's] real creator is our needs"), and each thinks it better for himself if he engages in interchanges of giving and taking; that their basic economic needs are food, shelter, and clothing; that they would all be better off if they divide their labors, rather than each doing everything; and that they are born with different capabilities for producing or doing different things. Plato's principle of social justice, (a limited in scope version of it) is embedded in the grand conclusion. The conclusion itself is a good indication that Plato's theory of justice is a teleological ethical theory:

the statement asserts that (what he later identified as) his justice promotes the good of everyone because its practice produces “more and better” and easier the goods for their basic needs.

Later of course the needs are expanded to two other groups, defense and ruling, and the grand conclusion is made to include them as well: so we have three groups of careers that the principle of justice covers. And also later, basic education for all citizens, and higher education appropriate to higher inborn abilities and careers, are added. So that a more complete, but still formal, statement of Plato’s principle of social justice is: A city is just when it is so organized that each citizen is doing that social task, of ruling or defending or provisioning the city, for which s/he is best suited by inborn ability and appropriate education.

Content to the principle is added in Bks. II, III, and IV by several empirical assumptions. Plato tries to work out what inborn abilities are most suitable for each of the three main tasks or functions: inborn high intelligence for ruling, inborn high spirit for defense, and inborn abilities or talents for providing food, shelter, and clothing. The Myth of the Metals (*Republic*, 414-5) illustrates his strong but largely true empirical assumption that persons are born with significantly different intelligence, spirit, and abilities for the arts, and that these make a big difference to the best functioning of his utopia. He also works up what educations, in addition to a public and free basic education for all citizens, would be most suitable for these three types of careers: a very advanced education in the sciences and dialectic for the rulers, basic education and military training and tests for the defenders, and the standard arts for farming and building and weaving.

Several features are noteworthy about Plato’s principle of social justice. In scope it covers all social careers, including the important ones of ruling and defense, something we might well expect a principle of social justice to cover. Plato’s principle also forbids multi-careering as well as choosing a career one is not suited for either by inborn ability or by education. In this respect, it is opposed to free choice of career, as left open, for example, by justice in Rawls’ principle of formal equality of opportunity or careers legally open to talents. In Rawls’ “well ordered society” (and indeed in all existing democratic societies) choosing a career one is not fitted for, by inborn ability or education, may be foolish, imprudent or irrational, but it would not be unjust, as it would be in Plato’s utopia. Plato’s principle, we might say, institutionalizes (some relevant) inborn inequalities as a basis for just inequalities in the distribution of careers. Rawls’ justice, supposing that inborn inequalities are arbitrary or undeserved, far from institutionalizing them, tries to neutralize or moderate them or compensate for their effects.

We know from his treatment of gender that Plato’s justice does not institutionalize all inborn inequalities among human beings. It leaves some inborn inequalities, such as height and baldness out as irrelevant, at least to the choice and performance of social careers. And it takes account of the inborn differences in gender: not by institutionalizing them, as it does with inborn intelligence, and not by ignoring them,

as it does with height or baldness; but by blindfolding them. In his account of the role of women in his utopia (Bk. V, 445-57), Plato proceeds, first, by distinguishing between inborn features that make a difference to the performance of the three main social careers and those that do not, and, second, argues that though men and women do indeed differ by nature, these differences—women bear children and men do not, and by and large men are physically stronger than women—do not make a difference in the performance of careers. Finally, he claims that the three main inborn traits—high intelligence, high spirit, and high abilities for arts and trades—that do make a difference (together with suitable education) in the performance of the three main social tasks, are distributed indifferently between men and women; some women are born smarter than some men, some with higher spirit, and some with “a physician soul;” and this more than twenty centuries before the Johns Hopkins Medical School admitted the first woman! We might say that, far from institutionalizing gender differences—as nearly all laws did in Plato’s time—his justice blindfolds gender. In all likelihood, his revolutionary proposal is a case of procedural justice, rather than a justice of outcomes that might result in quotas of equal men and women in ruling, defense, and the arts. And it was likely made possible by his metaphysical dualism of body and soul, and his idea that gender is an attribute of the body, while the three inborn features his justice institutionalizes are attributes of a soul, a soul that can be disembodied (For much more discussion of Plato’s treatment of gender see Santas, 20010, Ch. 6).

VII. Inequalities in Property and Wealth in the Republic

In Bk. III Socrates proposes that in the ideal city the ruling class and the military class not be allowed any private property or wealth, only shelter, food, clothing and other bare necessities for living and doing their tasks. (R. 412-19, and Cornford, Ch. X) Thus, the two classes with all the power in the city, the rulers and the military, will be deprived of one major instrumental good people usually want and go after. And an absolute firewall is created between government and wealth, a complete divorce between political power and wealth, the very opposite of oligarchy,

His reasons for this can be traced back to his criticism of Thrasymachus’ view that rulers govern for their own benefit, rather than the benefit of their subjects. But even if his criticism there (Bk. I, 341-2), the argument by analogy against Thrasymachus, is correct, and like medicine and navigation the aim of ruling is the good of the subjects, it is quite another thing to insure that the rulers of his ideal city do not rule for their own benefit rather than the benefit of the subjects. So how is he going to guard against that widespread tendency of rulers?

His answer is: first, education, and second, abolition of private property and wealth for the rulers and the military. The education consists in instilling into the guardians, i.e., the defenders and the future rulers, the belief that their own good or interest is the same as the good or interest of their subjects. If they are convinced of that, then

presumably they will act in favor of their subjects, and in that respect ruling will be like medicine and navigation. But after he has finished his sketch of their education, including tests of this conviction, Socrates now implies (R. 415-19) that all this education may not be enough for acting in the interests of their subjects; that is, not enough if they still have private property and private wealth; because this will create conflicts between their own economic good and that of their subjects. So Socrates proceeds beyond cognitive and other education, to the abolition of private motives (economic gain) by abolishing their private objects (private property and wealth). This is Plato's solution to the political problem posed brilliantly by Thrasymachus, the opposition Plato himself set up. As R.E. Allen points out (Allen, 2006, x-xv), Plato tries to eliminate the causes of faction, instead of trying to control their effects as the fathers of the American Constitution did.

When Adeimantus objects, in the opening lines of Bk. IV (R. 419-21) , that Socrates' reform would make the rulers and soldiers unhappy, by depriving them of the usual goods that the ruling classes go after-- property, and wealth, and fine houses, and money for travel and mistresses, the things that are commonly thought to make people happy—Socrates replies that he would not be surprised if even so the ruling classes were “most happy”, especially if they did their work well. Here he seems to assume that an important source or means to happiness derives from doing well what one is best at. But in any case, Socrates adds, *contra* Thrasymachus, they did not set out to promote the happiness of any one class particularly well, but to promote the happiness of the city as a whole, because they thought only in that city they would find justice. This seems to assume that justice promotes the good of the city as a whole, and that abolition of private property and wealth for the rulers and defenders will promote the good of the city as a whole. But though in the passage it is clear that Socrates disagrees with the common conception of happiness, it is not equally clear how his principle of social justice specifically excludes private property for the ruling classes.

In Bk. V (R. 462-5), Socrates gives another reason for abolishing private property and wealth in the two ruling classes: if they had it they would have conflicts of interest with each other, and thus create faction and possibly civil war. This danger, faction within the ruling classes, was perhaps as real as faction between rulers and subjects. And perhaps this is the reason why Socrates claims that unity in the city, which excludes both kinds of faction, is its greatest good, and faction its greatest evil, something new in his list of goods and evils, at least in rankings. Apparently, the virtue of social temperance—agreement among the citizens about who should rule and who should be ruled-- the virtue that promotes harmony between rulers and ruled and even between rulers and the military, presumably the result of education, is not enough to prevent faction and even civil war. Institutions are needed in addition to education, and the abolition of private property and wealth for the ruling classes, as well as the abolition of the private family among them, will eliminate private economic motives and even private affection as well among them.

In sum, in these radical institutional reforms, Plato creates an absolute firewall

between property and wealth on the one hand and political and military power on the other. By comparison, our democratic firewalls between political and economic power, e.g. blind trusts, campaign contribution limits and financial disclosures, are far weaker and apparently ineffective. These reforms are quite radical by comparison also to all the other constitutions Plato discusses in Bk. VIII; indeed one of them, oligarchy or plutocracy, far from separating ruling and wealth, unites them.

Now clearly, the abolition of private property and wealth for the upper classes is not economic equality among all citizens. Nor does it seem to be an instance of his principle of social justice as proportional equality applied to income and wealth. Nor yet can it be the role of his other city virtues to regulate economic goods. So how do the reasons he gives connect at all with his social philosophy of the four civic virtues? And if they do not, as they do not appear to be, to what principles do his proposals or his reasons for them connect?

The answer may be that these reforms promote the good of the city as a whole, and particularly that they enable the rulers to rule the city well, that is, for the good of the citizens, contra Thrasymachus, and the defenders to defend the city well, that is, to defend the citizens against external threats and not to harm their own fellow citizens. This may be the main thrust of Socrates' answer to Adeimantus' objection in Bk. IV: the city as a whole will perform better with these reforms, and even the ruling classes can be happy with them if they do their job well. So here we may not have a direct appeal to his principle of distributive justice, since abolition of private property for the two classes is not an example of proportional inequality, but to his overall teleological principle that the right (including the just) is what promotes the good.

Plato's principle of political justice connects to these reforms rather indirectly: the division of social tasks and the matching of tasks to native talent and appropriate education (social justice) was adopted because these tasks could then be done better; abolition of private property for the two ruling classes enables these two tasks to be done better yet, indeed best. In addition, abolition of private property and wealth for the classes with the most power avoids faction and promotes a great good, unity. One might reasonably think that another great civic good has been added to the four virtues, civic unity.

The rest of the ideal city, the vast majority of its citizens, are allowed private property and a free market of exchanges and trades. But Socrates proposes that there be economic floors and ceilings (R. 421-27). His main reasons are that farmers and craftsmen must have enough materials and instruments in order to do their work well, provisioning the ideal city well, but not allowed so much property and wealth that they lose their motivation to do what they are best suited by nature and education. Plato's proposal is rather vague; functional economic floors and ceilings may vary considerably; farmers may need far more materials and instruments than, say, shoemakers.

Once more, this is not economic equality; nor is it an immediate implication of the principle of justice as proportional equality applied to income and wealth: economic

floors and ceilings are not economic equality or proportional economic inequality. And once more his reasons seem to be that the farmers and craftsmen will do their work better with these floors and ceilings than they would otherwise. The best functioning of his city, presumably a superlative good, is appealed to directly, rather through his principle of social justice as proportional equality. One may wonder why this is the case. Is his virtue of social justice incomplete? It would seem so, since the restriction of his social justice to the distribution of careers, and nothing else at least directly, leaves the distribution of economic goods wide open as an issue of justice.

In sum, Plato does not propose economic equality for his ideal city, and once he departs from equality he does not rely on his principle of social justice as proportional equality to regulate economic inequalities, but instead appeals directly to the good of the city as a whole or its unity or to the best performance of its main social functions.

VIII Equality and Inequalities in Plato's Laws

But in the *Laws* (Bks. V, VI, and Bobonich, 2002, Ch. 5, pp. 374-94), where Plato constructs his second best city (*Laws*, 739-47), he is by no means averse to political or economic equality. His program is a measured mixture of fundamental political and economic equalities and moderate inequalities.

Unlike the ideal city of the *Republic*, where the defenders and the artisans are permanently excluded from political office, the second best city extends citizenship to all who have fought for the city or who can afford arms, and basic political power equally to all citizens by means very similar to the institutions of participatory democracy: an Assembly, in which all citizens participate and each citizen has one vote, the Council in which all citizens participate by rotation, and the Courts; and several other, perhaps less democratic institutions, such as appeals courts, the guardians of the laws, and the nocturnal council. The first three seem clearly modeled after, or at least similar to, the corresponding institutions of participatory democracy (for some innovations in the Council and the Courts, see Bobonich, 379-82), and Plato himself characterizes this second best city as a mixture of democracy and monarchy (*Laws*, 691-93. Aristotle interestingly claims that it is a mixture of democracy and oligarchy; *Pol.* II, 6). So unlike the ideal city of the *Rep.*, where great and permanent inequalities are Plato's solution to the problem of distribution of political offices, in the second best city the solution to the same problem is largely political equality—obviously a prevalent democratic solution. And his principle of justice in the *Rep.*, as proportional distribution in the main three tasks or social functions of the city on the basis of native ability and appropriate education, seems to be abandoned among the citizens; all are allowed to multi task, at least in defending and ruling the city (*Laws*, 735-7).

Of course if we consider the whole population of the second best city, we find nothing but political inequalities between citizens and others: slaves, resident aliens, and others are excluded from citizenship and ruling. Even women, who are allowed citizenship and office, are allowed these things by different standards for citizenship

(not fighting or affording arms), and at later times in their lives (than males) for office (*Laws*, 804, 814). Of course these inequalities, and even more in the case of women, were also present in the current participatory democracies.

When we come to the problem of the distribution of economic goods, land and other wealth, Plato's solution in the *Laws* (Bk. V, 740-46) is equality of land, and very measured, or moderate, inequality in other wealth. His citizens (actually households) are allotted equal parcels of land, one near the center one near the borders, presumably to motivate every citizen to defend the city or its borders; and they are not allowed to divide or aggregate their lots, so this fundamental economic equality, fundamental since land was the major part of wealth, is preserved forever. They are allowed unequal "movable goods" (though not in essential instruments for cultivating the land, or in gold or silver). But this inequality is constrained by a specific distance between the richest and the poorest: no one is allowed more in movable goods than four times the value of the equal land plots; partly as a result, four different "property classes" emerge, one four times the equal land, one three times, one two, and one equal to the value of the land plots.

Some of the less democratic upper offices, such as the guardians of the laws and the nocturnal council, are distributed on the basis of this economic inequality of the four property classes—perhaps why Aristotle thinks that this constitution is partly oligarchic.

Thus the economic inequality is constrained by specific economic floors, which exclude poverty among the citizens, and specific economic ceilings which exclude excessive wealth. Unlike Plato's vagueness and variability of his functional economic floors and ceilings for the artisan class in the *Rep.*, in the *Laws* there is a unit, the value of the equal plots of land, that sets the floor, and a definite distance from it that sets the ceiling. Clearly a very different economic program than that of the *Republic*. Unlike the ideal city of the *Rep.*, in which the two ruling classes are deprived of private property and any wealth, in the *Laws* no citizen is deprived of private property. And unlike this fundamental economic inequality in the earlier work and the constrained inequality among the artisan class, in the *Laws* we have a fundamental equality in the distribution of land.

If we ask why Plato now chose fundamental political and economic equalities as the solution to the problem of the distribution of important offices and of land, and moderation where he allowed inequalities (see *Laws*, 736-7, where moderation, a middle range between extremes is praised), he tells us three times that it is to avoid faction, conflicts of interest among the citizens. (*Laws*, 728-9, 736, 744-5). Inequalities among the citizens are a source of faction, especially excessive inequalities. And fundamental political and economic equalities are a partial solution to the problem of faction. Once more, this is in contrast to the *Rep.*, where he chose economic inequality, as a solution to the conflict between rulers and ruled, and then claimed that even with such fundamental economic inequality his rulers and defenders could still be happy and content. And in contrast to the fundamental political inequality of the

earlier work, and the emphasis on education in social temperance -- agreement to the inequality—as the remedy.

If we ask in turn why Plato thought that he could now chose the democratic solution to the political problem of distribution of office, equality by means of democratic participatory institutions, the answer may be more complex. Bobonich (2002, 374, and Ch. 4), who concentrates and deals ably with this problem, says that it is partly due to changes in Plato's conception of human nature and thus his moral psychology, and changes in his epistemology. Indeed when Plato describes the best constitution in the *Laws* (739d), clearly that of the *Rep.*, he says that it would be a constitution for gods or the sons of gods. For men as they are Plato now designs the second best constitution. More persons are now thought to be capable of ruling well, not just those born and educated to be philosopher kings and can know the form of the good; but that is partly because less is required for ruling well. In the second best constitution Plato has given up his demand that citizens and legislators need to know the form of the good in order to rule well; perhaps he has given up entirely his elevated view of the form of a cosmic good. He must now think that all those who are citizens in his second best city can, with appropriate education, understand what is good for them and what is good for the city; especially understand the three main human goods, of the soul, of the body, and of property, and the priorities among them: the soul, or its virtues, is the greatest good, the body, or its health and strength and beauty, the second, and land and wealth the third; and that all other goods are to be pursued for the sake of the goods of the soul (*Laws*, 729-30; these goods and their priorities are largely the same as those of Socrates in the *Gorgias*; see Santas, 1979, pp. 251-2). This is explained to the citizens in the prelude to the laws. What is good for persons and what is good for the city could be understood accordingly by all citizens. (For the lower epistemic standards for citizens and legislators, see also Susan Sauve Meyer, in Benson, pp. 380-87. According to Meyer, Plato in the *Laws* gave up not only the demand for knowledge of the form of the good, but also the demand for Socratic definitions of the virtues and the good. Citizens can be virtuous if they only have stable true beliefs about what is good and bad, what just and unjust, and what fine and shameful, as distinct from knowledge of the forms of justice and of the good and of their definitions).

IX The Problem of Economic Justice and Possible Solutions, Past and Present.

The problem of economic justice is the division and distribution of economic assets, such as land and other wealth, and income. Such divisible assets can be distributed (arithmetically) equally, or unequally in several different ways.

In Plato we have already seen the equality solution, in the equal division of land in his second best city. And we have also seen several inequality solutions : the radical inequality of the abolition of private property for rulers and the military; the restrain

of inequalities of income and wealth by functional economic floors and ceilings where he allows private property; specific distance between the richest and the poorest in his second best city; and finally, justice as proportional inequality in the distribution of careers in his best city.

It should be noted at once that the equality and the proportional inequality solutions are based on principles: (arithmetically) equal division and distribution as just; or unequal division and distribution of some advantage or burden in proportion to some unequal attribute of the persons to whom distribution is made; and though there is disagreement about what that attribute should be, the claim is that such proportional inequality is just.

But the other two inequality solutions do not seem off hand to have a principle supporting them: they presuppose inequalities and impose constraints on them, but why are such constraints just? And perhaps partly for that reason, they can be vague, variable, and much in dispute. What is a just economic floor, or a just economic ceiling? And what is a just distance between the richest and the poorest in wealth, or in income?

Remarkably enough, all of Plato's solutions to the problem of economic justice find an echo in modern representative democracies.

In contemporary times, economic floors and ceilings, in wealth or wages, are quite common in many nation states. In wages, economic floors in the form of minimum wage laws, and various other so called "safety nets" such as welfare, food stamps, have become a common way to mitigate economic inequalities. But interestingly there is no such thing as maximum wages, as a matter of law rather than historical circumstance, at least not in cardinal values as minimum wages are set. In contemporary democracies law seems to set the minimum wage, but it sets no maximum wage; and the markets set no maximum wage, except in a narrow comparative sense (i.e. among peers), and even that can be variable. In wealth, as distinct from wages, economic floors and ceilings are harder to find and are never set in cardinal values; inheritance or estate taxes seem to be the main device used for ceilings, presumably to moderate great concentrations of wealth over generations. Economic floors in wealth may be very rare in societies, at least so long as they allow homelessness, since being homeless is usually good evidence that there is no wealth.

We saw that Plato uses proportional inequality for the distribution of all careers. Among the moderns we also find proportional equality as a principle for some economic justice. Rawls used proportional inequality in the distribution of opportunities: given that his principle of formal equality of opportunity (careers legally open to talents) is satisfied, his fair equality of opportunity principle requires, at least procedurally, that those with equal talents and an equal willingness to develop and use them are to have equal life prospects; and he proposed free public education as the main institution for implementing it procedurally. (Rawls, 1971, Ch. II, Section 14).

Proportional inequality is certainly a principled way to try to determine what economic inequalities are just. Of course there can be dispute about the basis of the

proportion: equal or unequal distribution of income or wealth on the basis of what? E.g. need, talent, hard work, actual contribution to some common good?

Interestingly enough there is large consensus to use proportional inequality in at least one economic domain, the distribution of the burden of taxation; presumably to cover the cost of government and defense, and perhaps to reach fairness by some redistribution. Income taxes are determined in proportion to income; indeed by what we might call a double proportion, percentages of income, and different brackets that set different percentages. And there is debate about having different brackets: taxes based on percentages with the same bracket for all are said to be “regressive” and argued to be unfair (e.g. sales taxes); while percentages and different brackets are said to be “progressive” and more fair (e.g. income taxes and estate taxes).

Regulating the distance between the economically best and worst off, as a way of mitigating great economic inequalities seen as unjust, is very popular now, as can be seen in the constant comparisons made between the average salaries of managers of large firms and the average wage of their employees. Especially since the 1980s in the United States, this inequality has increased from the managers having salaries roughly twenty times that of their employees to a staggering two hundred times in 2012. This is seen as unjust since hardly anyone contends that there was a similar increase in the managers’ merit, their efficiency, productivity or hard work—the main argument used in democracies that such inequalities are just; an argument that hints that proportional inequality may be a principle underlying the regulation of such economic distances (see especially Piketty, *Capital*, Ch. 8, Two Worlds, and Chs. 9, 10 & 11, especially pp. 418-22).

Needless to say, there is continuing controversy about what the distance should be (or is fair) between the richest and the poorest, whether measured in income from labor or in wealth. Piketty has the most comprehensive data about how this distance has varied over two centuries in Europe, two centuries in the United States, and more recently in Japan and China. His review throws very considerable doubt on any attempt to use the inequalities of any one period or nation as a “historical norm” for judging the fairness of economic inequalities (as distinct from their efficiency).

X. John Rawls’ Solution to the Problem of Just Economic Inequalities.

Another principled way to try to determine what economic inequalities are just is by a general principle congenial to contract theories of justice and democratic cultures: economic inequalities are just provided they are to everyone’s advantage; and, social contract theories add, everyone, especially the less economically equal, would agree or consent to them in so far as they are rational. Thus economic inequalities are just so long as everyone is better off with the inequalities than s/he would be with equality. We start with economic equality as presumably or *prima facie* just, but allow departures from it, and thus inequalities, so long as everyone is better off with such inequalities than they would be with the corresponding equality; presumably, we

allow even greater inequalities so long as everyone is better off with them than s/he would be with the previous and lesser inequality.

This is how John Rawls begins his discussion of his principles of justice in Ch. II (Rawls, 1971). His two principles of justice, he says, “are a special case of a more general conception of justice that can be expressed as follows:

“All social values—liberty and opportunity, income and wealth, and the basis of self-respect—are to be distributed equally unless an unequal distributions of any, or all, of these values are to everyone’s advantage. Injustice, then is simply inequalities that are not to the benefit of all.” (Rawls, 1971, p. 62). He adds that the initial equality provides “a benchmark for judging improvements.”

Rawls has a long argument, well analyzed step by step by Barry (1989, pp. 217-26) for equality being presumed just and serving as a benchmark for judging (explaining and justifying) economic inequalities. We are not concerned primarily with equality, but it is worth noting that Rawls’ fundamental basis for benchmark equality, as just to begin with, is his view that inequalities at birth are arbitrary, without merit, undeserved, and so have no claim on justice (Rawls, 1971, pp. 7, 74-5, 92). This for social inequalities at birth; and also for natural inequalities at birth, in stark contrast to Plato’s (and Aristotle’s) view that some natural inequalities at birth have a claim on justice (and must be taken into account in designing institutions) because they are necessary or effective for the good performance of essential functions of the city-state.

But aside from Rawls’ fundamental reason for starting with equality as presumably just and using it as a benchmark, we have seen that the equality solution is very old, and that even Plato gives other reasons for preferring basic economic equality, namely the avoidance of faction—, quarrels and even civil war over inequalities. So there seem to be many reasons for starting with equality as presumably just, and for demanding reasons for departing from it and accepting particular inequalities as just, reasons that everyone can accept and especially the less equal. Equality as justice is innocent until proven guilty, and the burden of proof is on any given inequality proposed as just. Even if we supposed equality to be on an initial par with any inequalities for the title of justice, still comparison between equality and various inequalities can be enlightening. After all there is only one arithmetic equality (sameness in number or size, as Aristotle defines it, *Politics*, 1301b29-30, Keyt, 2017, p.12) of, say, income and wealth, and an indefinite number of inequalities; we can still use the equality and distances from it to simply systematize the discussion.

Now, as is well known, Rawls divides all social values (what he calls “primary goods”—major instrumental goods, things that it is rational to want no matter what else one wants, (Rawls, 1971, pp. 62,92)), along with his division of the basic structure of society into political and socio-economic, into liberty on the one hand, which is to be distributed absolutely equally, and opportunities and income and wealth, on the other, which can be distributed unequally so long as the inequalities are to everyone one’s benefit. And the main problem he takes up in the rest of the chapter is how to interpret this all important proviso, “to every one’s advantage,” the satisfaction of

which confers justice to socio economic inequalities.

Rawls has a very informed discussion, logically and historically, of various attempts to satisfy this proviso. Is an inequality in opportunities or in wages or in wealth just, for example, if it can be shown that it promotes the common interest or the good of the society as a whole?

Teleological ethical theories, those of Plato, Aristotle, Bentham and J.S. Mill, for example, would tend to interpret the proviso in this way. But there are difficulties defining the common good or the good of the society as a whole. If it is defined, for example, as an aggregate or sum total of all the interests or good of all the citizens, as would seem to be the case with Mill's and Bentham's principle of total utility, it might allow for Pareto optimal outcomes to satisfy the proviso: so long as some gain in utility and nobody loses we have Pareto improvements. The principle of total utility seems even to allow some to win and some to lose, so long as the total gains exceed the total losses. Bentham's "greatest good for the greatest number," a two factor principle, may allow for both kinds of inequality: Pareto optimal outcomes (some winners and no losers), and winners and losers with a net gain. The 1789 French Declaration of the Rights of Man, Article 1, says that, equality being the norm, inequality is acceptable only if based on "common utility." This too would be open to the same objections, unless "common utility" is interpreted broadly, as for example, Piketty interprets it: "social inequalities are acceptable only if they are to the interests of all and in particular of the most disadvantaged social groups." (Piketty, 480). This interpretation of course leans in Rawls' direction, as Piketty himself acknowledges.

Social contract theories would object to both outcomes, simply Pareto optimal outcomes, and winners and losers with a net gain, as satisfying the proviso.

Rawls, arguably the most able recent defender of contract theories and the democratic culture, argues that we need all his principles to satisfy the proviso, especially his second principle which is really three distinct principles: given that his principle of equal maximum basic rights and freedoms (first principle) is satisfied, formal equality of opportunity, fair equality of opportunity, and the difference principle (these three make up his so called second principle) would have to be satisfied; all in that order, what he calls lexical ordering or lexical priority, which does not allow trade offs between liberty and other primary goods (opportunities and income and wealth).

The principle of formal equality of opportunity is the simplest: all careers are legally open to talents. It should be noted that not all societies satisfy this principle. In ancient Greece, for example, ruling and defending the city were not legally open to women; in Plato's ideal city these careers are legally open to women. Caste societies and many oligarchic societies violate this principle. So formal equality of opportunity is an important equality—equality before the law of access to careers. (Rawls, 1971, Ch. II, Section 12). It should also be noted that formal equality of opportunity leaves open the choice of career; but it does not require matching careers to talents as a matter of justice, as Plato's principle of justice does.

The principle of fair equality of opportunity goes further: it requires, procedurally,

not in outcomes, that those with equal talents and equal willingness to develop and use them have equal prospects of success; those with unequal talents or unequal willingness to develop or use them are to have proportionally unequal prospects of success (Rawls, 1971, p.73). This seems to be a principle of proportional equality (an equality of ratios, not an arithmetical equality) applied procedurally to opportunities. The main institutional procedure for implementing this principle, Rawls says, is public and free education for all. (Rawls, 1971, pp. 83-90).

These two principles, of formal and fair equality of opportunity, make up Rawls' interpretation of the great democratic and especially American dream of "equality of opportunity," a dream often appealed to in political debates but rarely explained. Neither principle nor their conjunction insures or requires that all opportunities are arithmetically equal for all; no such thing may be possible. An opportunity, Brian Barry tells us (in *Political Argument*), is a circumstance favorable to one's interests. So, presumably, all may have an arithmetically equal opportunity to do something when there is some circumstance that is equally favorable to every one's interests. It would be difficult enough to find a single circumstance favorable to all, not to mention a socio-economic arrangement in which all opportunities are equally favorable to all. Rawls' two principles seem to be confined to opportunities for careers, not all opportunities. Formal equality simply insures that no one is legally barred from choosing and pursuing any career. And his fair equality levels the playing field procedurally in the competition for careers, by making free public education available to all. These two principles and free public education, Rawls claims, moderate the effects of social inequalities at birth, such as being born into affluent or poor families, which he regards as arbitrary or without merit or undeserved.

The difference principle is a more complicated affair and has been the subject of much controversy. It allows the economic expectations of the most advantaged groups (or representative positions) to be increased so long as, and no more than, the expectations of the least advantaged are also increased. This principle is supposed to moderate inequalities in income and wealth, which in part result from natural or inborn inequalities at birth, such as inborn inequalities in intelligence and talents and abilities, which Rawls regards as also arbitrary, without merit, or underserved—the result, as he says, of "the natural lottery." This principle does not eliminate inequalities in income and wealth; on the contrary, it presupposes them, and tries to moderate them so that they are fair.

The difference principle differs from Pareto optimality (when applied to distribution): the latter is satisfied when it is impossible to change a distribution so that at least one person gains without any one losing; when at least one can gain without any other losing we have a so called Pareto improvement (Rawls, 1971 p. 67). Rawls thinks this is not enough for justice (Rawls, 1971, p.71, and Note 10 where he cites economists agreeing that efficiency must be supplemented by equity), and certainly not enough to satisfy the proviso about every one gaining from inequalities. When we depart from benchmark equality, we can imagine a series of alternative

Pareto improvements, by increasing the expectations of anyone class without decreasing those of the others, till we reach the so called Pareto frontier when this is no longer possible—we have reached a Pareto optimal outcome. Now clearly we can do this with any of the different classes and thus have several different Pareto optimal outcomes; but as Rawls says, not all of these inequalities can be just or equally just.

Distinct from Pareto optimality, the Difference Principle selects one groups in particular, the least advantaged (say, unskilled laborers—see Rawls, 1971, p. 98), and allows the most advantaged to gain only when and so long as the least advantaged thereby also gain. “This principle [the difference principle] removes the indeterminateness of the principle of efficiency [Pareto optimality] by singling out a particular position [the least advantaged] from which the social and economic inequalities of the basic structure are to be judged.” (Rawls, 1971, p. 75).

Pareto Optimality (efficiency) and the Difference Principle, are compatible. In the best case scenario, when all groups gain from inequalities both principles are satisfied; and, as Rawls says, we want both justice and efficiency. In circumstances when they conflict, justice has priority. The big question is whether, when we have both Pareto and the Difference Principle satisfied, the proviso that everyone gain from inequality is satisfied and we have just inequalities.

Now, as Brian Barry points out in his excellent discussion of the difference principle (*Theories of Justice*, 1989, pp. 226-34), if we had only two groups, the most and the least advantaged, and were considering departures from benchmark equality, then when the Difference Principle is satisfied so is the proviso that everyone gain from inequalities, since both groups gain from the inequality. And of course this inequality can be also Pareto optimal.

But when we have three or more relevant groups (Rawls has four, entrepreneurs, skilled, semi-skilled and unskilled), the difference principle itself does not, by itself, fully satisfy the proviso, that inequalities be to everyone’s advantage; since there may be, and usually are, other economic groups besides the most and the least advantaged, namely, any groups between them, and the difference principle by itself says nothing about them. Piketty, for example, divides all societies he investigates into four economic groups: the top one percent, the top ten percent, the next forty percent, and the remaining fifty percent; and his statistics are all about these four groups. He disarmingly admits there is some arbitrariness in this division, but that is likely true of any other divisions, and the most significant points in his statistics may not change much with other plausible divisions. Applied to Piketty’s groups, Rawls’s difference principle would allow the top one percent (or the top ten) to gain only when and so long as the bottom fifty percent also gain; and this clearly can happen without the middle class of the forty per cent also thereby gaining.

Now Rawls is aware of the objection that the principle leaves out the middle economic group(s). This omission allows the possibility that the difference principle is satisfied (the top and bottom groups both gain), but the middle groups do not gain; and of course in this case clearly not all groups gain from the inequality. Rawls discusses

a circumstance (chain connection) in which “inequalities in expectations are chain connected: that is, if an advantage has the effect of raising the expectations of the lowest position, it raises the expectations of all positions in between.” (Rawls, 1971, p.80). Thus, if we joint the difference principle and chain connection, then when both are satisfied, the proviso that everyone gain from inequalities is also satisfied. However, Rawls is clear that chain connection (and being “close-knit”—that all expectations move up or down together) are contingent matters, not part of the difference principle, and not built into the basic structure by his principles: “The difference principle is not contingent of these relations being satisfied.” (Rawls, P. 82) It seems clear, then, that even when all of Rawls’ principles are satisfied, it is a contingent matter whether everyone, strictly speaking, is benefited from the allowed inequalities.

Thus an important objection to Rawls’ whole system might come from the so called middle class(es): Why does the difference principle, which governs the all-important inequalities of income and wealth leave the middle classes out? Why should the least advantaged group be picked out for special attention (“a veto power, so to speak”)? Why should justice do this?

Barry thinks that Rawls has an argument to answer this question (Barry, 1989, pp. 231-34). Even when chain connection does not hold, as we move away from the initial benchmark equality toward inequalities that are to everyone’s advantage, then at the point at which the least advantaged can no longer benefit from further inequalities (the point at which the difference principle says this inequality is fair), the middle groups have no reasonable complaint because they are already more benefited by inequality than the least advantaged group (they continue to be above the least advantaged in income and/or wealth). Of course there may be some other inequality in which the middle groups benefit even more, but they still benefit from the inequality the difference principle selects (relative to benchmark equality) and they are still better than the worst off. This is of course an argument from the inside of Rawls’ position: it assumes the justice of the initial benchmark equality, and the idea that everyone must benefit from inequalities, and the idea that the just inequality is one that it would be rational for each and every party to agree to.

From the outside, as it were, we can also construct an important reply, why the greatest benefit of the least advantaged members of society should be the deciding consideration in selecting the just inequality. The least advantaged are the least likely, perhaps the least able, to participate in the affairs of their society; they have the least, if any at all, participation in ruling, and the smallest voice, if any voice at all, in the affairs of the community that are everyone’s concern. Indeed, with the notable exception of ancient participatory democracies, in which, both Plato (*Rep.* VIII, 557) and Aristotle (*Pol.* III,8, 1280a) tell us, the poor ruled, we rarely if ever find the poor among the ruling classes, or even among those who actually vote, in modern representative democracies. Indeed, it seems that the opposite is true in such modern democracies: the rich rule or have undue influence on the rulers. J.S. Mill was worried about this very problem in 19nth century England: “the anomaly of a

democratic constitution in a predominantly plutocratically constituted society.” (W. Knight, 1897). Rawls’ difference principle gives the poor and under privileged a voice in the affairs of their country, a powerful voice because it embeds promotion of their interest into the basic structure of a just society, into the very institutions of his well ordered society.

One might still complain about Rawls’ principles: why not find principles and institutions that require and insure that economic inequalities are literally and strictly to everyone’s advantage? Why pick out only two groups for attention? Why not build chain connection into the principles of justice, for example? We may have to look to the economists to tell us whether such a thing is possible and can ever be implemented. In modern democratic countries with free market economies, we seem to be at the very opposite of a Rawlsian society: it would seem that every economic trend and even every piece of legislation has both winners and losers. This is not even Pareto optimal, and far away from the difference principle.

And this problem occurs even with relevant *groups* being the atoms of the statistics of the economists and the principles of the philosophers. As Rawls concedes, there are many other groups that the citizens may be divided into, not to speak of taking *individuals* as the atoms: “We cannot have a coherent and manageable theory,” he says, “if we have to take such a multiplicity of positions into account. The assessment of so many competing claims is impossible.” (Rawls, 1971, p. 96). Thus the satisfaction of all his principles does not assure that all groups whatsoever benefit from the just inequalities. And certainly not all individuals or all citizens.

In Rawls’ theory, the relevant groups are chosen as those from whose point of view the justice of the basic structure is to be appraised. The claims of other groups are to be dealt at less general stages, such as constitutions and legislation; and the claims of individuals at the least abstract judicial stage (Rawls, 1971, Ch. IV, Section 31, The Four-Stage Sequence). Thus we must not suppose, simply and perhaps naively, that Rawls’ just inequalities benefit, or supposed to benefit, each and every citizen. But this complication, or apparently necessary simplification, is not confined to Rawls. Plato too makes a choice of relevant groups—those based on natural talents for relevant social needs, and judges the goodness and justice of his city from their point of view. And so do the economists work with relevant groups. Perhaps Rawls would claim that in his well-ordered just society, his justice at the basic structure, secured by the choice of his principles in the original position, would bring about more justice to the lower stages—constitutional conventions, legislatures, and courts—than other allegedly just basic structures.

In sum, many contract theories would want to go beyond Pareto optimality, finding it insufficient to satisfy the proviso about inequalities being to everyone’s advantage, and so insufficient for economic justice. For such theories essentially include rational choice and free consent to principles of justice by ALL the participants in the society (or the representatives of the relevant groups): why would rational participants ALL chose and consent to arrangements which would leave some behind, as, say, Pareto

optimal inequalities would, when there is a departure from equality? Especially if they have other options? Rawls goes commendably beyond Pareto optimality. And of course his theory does rely on rational choice and agreement by ALL (unanimity is a procedural requirement in the Original Position) parties in the procedurally fair circumstances of the original position where principles of justice are chosen. How far his justice at the basic structure would assure justice for all groups whatsoever and all individuals at lower stages than the original position, such as choice of constitutions, choice of laws, and choice in courts, is not entirely clear even for his well ordered society.

X. Institutions and Economic Justice

When it comes to institutions or general laws that can implement principles or policies designed to moderate economic inequalities so they are just, education and taxation are by far the most prominent.

Public free education has been endorsed by many theorists of justice as a main institution that tempers or decreases economic inequalities, though the underlying principle of justice that would be used to justify free public education, may be different for different theorists. Plato in the *Republic* proposes an institution of public and free basic education for all the citizens in his ideal city; when conjoined with his allowing for some mobility among his three classes, on the basis that children can sometimes inherit different intelligence and other abilities from those of their parents (the Myth of the Metals), we can see that his public and free basic education for all can be a leveling influence on inequalities. His higher education of course is not for all but for the smartest few; and he takes drastic measure to limit their power to harm the ruled. Thomas Piketty argues that the “the principal force for convergence [the lessening of economic inequalities] – the diffusion of knowledge---... depends in large part on educational policies, access to training ... and associated institutions.” (*Capital*, p. 22). He calls knowledge the “preeminent public good,” a non-exclusionary and non-competitive good (Paul Samuelson’s definition of a public good as non-exclusive and non-rivalrous). And we saw that Rawls proposed that his important principle of fair equality of opportunity should be underwritten by free education for all. This is a principle of procedural justice, not a justice of outcomes, and free education for all is the procedure. (Rawls, 1971, pp. 83-90). All these theorists regard education as “a public good”, a good to which everyone has access and no one is excluded and a good which is not- competitive. In many of our modern democracies basic education (the so called 12K) is public and free for all; but unfortunately higher education is not all public, much is not free, and some is prohibitively expensive (Piketty, 484-7).

Taxation is also regarded now days as capable of giving a helping hand to economic justice. Initially, one would suppose, the purpose of taxation was to cover the cost of government and defense. But more recently taxation has also been used to moderate great economic inequalities, e.g., estate taxes for the wealthy and “tax credits” for

low income groups. Rawls' proposes a negative income tax as a way to satisfy the difference principle. Safety nets, social security, and medicare, are all used to help the less advantaged sectors of society, and they are all paid by one or another kind of tax. Piketty's second main institutional proposal for moderating great economic inequalities, other than free public education, is indeed progressive taxation, mainly of wealth (see Piketty, Ch. 14, for significant data and analysis).

XI Democracy and Economic Justice

Economic inequalities pose an especially painful problem for democracies, because democracies demand political equality but allow economic inequalities even though these tend to undermine the political equality of rights and liberty, more so the greater they are. This is largely because the exercise of political rights and freedoms requires resources. Even Aristotle, in his ideal constitution, what we might call an aristocratic democracy, recognized that the exercise of many virtues requires resources, and so his equality of participation in office would have implications for the distribution of relevant resources. Rawls recognizes the problem with his distinction between liberty and the worth of liberty, and his economic justice is supposed to address it (Rawls, 1971, p. 204f).

Unequal resources tend to lead to unequal exercise of political rights and freedoms; and if their exercise is greatly unequal, are they themselves equal? The equal right to travel, equal freedom of speech, the equal right to a fair trial—all these are evident examples that have been playing out for a long time. The rich can travel far more, they are far louder, and they can hire the best counsel to defend their rights and liberties (even after “Gideon’s Trumpet”). Democracies, ancient and modern, typically allow great inequalities in income and wealth, and refuse to apply the principles that require political equality to the economic basic structure of societies, presumably because of the greater efficiency of economic incentives and differences in economic merit. There is a tug of war, it seems, between political equalities and economic inequalities, and it seems to be especially painful for democracies which demand the first and allow the second. Even where there might be some agreement that economic inequalities must be constrained or regulated, at least for the sake of equal rights and freedoms, there is much disagreement about the limits or the principles underlying the regulations—disagreements not likely to go away. Plato (and Aristotle) did not have this problem because they did not think of justice as equality to begin with in any domain, political, social, or economic. But of course they are left with the difficult and interesting problem of discovering what inequalities, in any domain, are just.¹

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Endnotes

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